Northern Telecom optimistic

Northern Telecom of Montreal, the second largest manufacturer of telecommunications equipment in North America, has been making forays into the office equipment market and plans further expansion, reports Dennis Slocum in the *Globe and Mail,* December 10. A recent public issue of the firm's two million common shares was over-subscribed. "We under-estimated demand," said Walter Light, Northern Telecom's president.

Analysts expect that orders for Northern's new digital central office switching systems will allow profits to rise from $3.33 a share in 1978 to the $3.70-to-$3.80 range in 1979, followed by further gains to $4.30 to $4.60 in 1980, despite dilution from the new offering and a soft economy, says Slocum.

Mr. Light refused to comment on the projections but he did say that future profits looked good. "We don't see any problem we can't lick."

The handling of the new issue raised complaints by some Canadian brokers. The shares were allocated on the basis of ownership and more than two-thirds of the shares, excluding 60 per cent owned by Bell Canada, were held in the United States. Trading on the New York Stock Exchange has been running at almost five times the Canadian turnover this year.

The issue was not increased because the company raised all the cash necessary, said Mr. Light. The current emphasis is "on digesting recent acquisitions".

Capital spending in 1980, forecast to be over this year's $135 million, is slated for new equipment and facilities, in response to demand growth and record order backlogs. Mr. Light said that the company was confidently stepping into the 1980s because it could improve productivity. The new technology required less manufacturing space and labour, plants were modern and the growing use of mini-computers offered savings. "We can offset rising cost pressures and keep our price hikes to a minimum," he said, noting that Northern's increases over the past five years had averaged 5 percent below those of most industries.

A wholly-owned subsidiary of Bell Canada until 1973, Northern Telecom is rapidly expanding as it capitalizes on the successful launching of its fully electronic digital switching equipment, moves into the computer market and focuses its expansion efforts on the United States.

Real growth in the Canadian telephone market (Northern has 70 per cent of the business) is estimated at 3 to 4 per cent a year at best during the 1980s, Mr. Light said.

Meanwhile, says the *Globe and Mail* article, "Analysts are impressed with Northern Telecom's ability to consistently make the right marketing decisions, meet delivery deadlines and take a hard-nosed profit-oriented approach."

Direct-to-home satellite TV

A national pilot project that has made Canada the first country in the world to install small satellite earth stations at private homes to test direct satellite TV broadcasting is being extended to northern British Columbia, the Yukon and the Northwest Territories.

The complete daily service of both the Canadian Broadcasting Corporation's (CBC) Pacific TV network and Vancouver's CTV affiliate, CHAN, will be relayed *via* Telesat Canada's *Anik B* satellite to individual homes, small cable TV systems, community halls and low-power rebroadcasting stations in some 45 remote locations, all with only limited or poor-quality reception.

The 1.8-metre, Canadian-made earth terminals purchased by the Department of Communications for the program will be loaned free of charge to users for the duration of this Western phase of the Federal Government's *Anik B* satellite broadcasting pilot project.

Home sites in the British Columbia communities of Cassiar, Dease Lake, Telegraph Creek, Anahim Lake and Tatla Lake will be among the first to be served, with stations also being installed shortly afterward in Yellowknife, Northwest Territories and Whitehorse in the Yukon.

The current *Anik-B* direct broadcasting satellite trials are enabling the widest possible evaluation of the viability of such a service on a commercial basis and giving the new generation of Canadian-designed and -manufactured earth terminals a thorough check-out in a broad range of environmental and climatic settings.

The pilot program was inaugurated September 25 when several dozen similar communities in Northwestern Ontario began receiving 12 hours of daily programming from the provincial educational broadcasting agency, TV Ontario.

Fuel-saver system

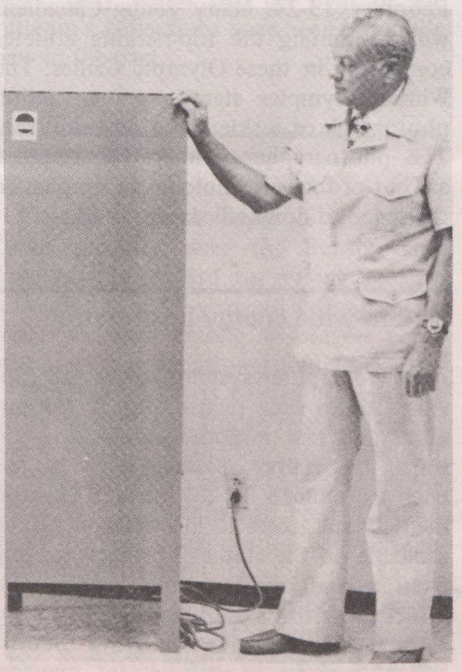
A Canadian company has produced a heat-recovery system which not only adds comfort to the work environment but conserves energy and reduces fuel costs. Quanta 410 is manufactured by Quanta Systems, Limited, Mississauga, Ontario.

Usually, when large amounts of fuel are needed to heat the work place, much of the warmth never reaches the worker. The upper air becomes overheated, while legs and feet remain cold. Optimum temperatures are attained only at thermostat level – about the eye level of a six-foot tall person.

The Quanta 410, when placed in a large area, quickly draws in the low-lying air and forces it to the ceiling. On a cold day, the low-lying air may be about five to ten degrees colder than the setting on the thermostat, while the ceiling air may be as much as 15 degrees warmer.

As the cold air is removed from the lower levels, warm air flows down to fill the void left by the removal of the cold air. With the Quanta 410, all air is heated uniformly and the temperature is maintained as long as the system is working.

The Quanta 410 operates at optimum efficiency and therefore uses less fuel to keep areas at comfortable temperatures. In addition, less energy is lost through ceilings and upper walls.



Uneven, uncomfortable temperatures are no longer problems when the Quanta 410 is installed in the work area (above).